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Expanding Context to Redefine Theories: Africa in Management Research

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As a scholarly field matures, theories emerge that guide paradigms and shape consensus in academic discourse. Management theories reflect a shared consensus on how individual behaviors or organizational actions result in a certain set of outcomes and under specific conditions. Clearly, theory is paramount to guiding whether models of potential relationships bear out and how and why we would expect a relationship or specific outcome. Yet much of this theory is derived from cumulative empirical evidence from a ‘context’ that has remained a silent partner in our quest for a theoretical contribution. A growing number of papers emphasize the theoretical contribution as disembodied from the context in which the empirical evidence of a causal relationship was gleaned. As an applied field, the emphasis on theory with disregard to the context of management practice presents a challenge for progress both as a scholarly domain and for credibility in what we teach and how we consult, or how we effect positive social change. This guest editorial joins a chorus of recent editorials in this journal (e.g., Tsui, 2013) and elsewhere (e.g., George, 2014) that suggest we rethink management scholarship, rejuvenate our ideas for research, and embed a nugget of practice in scholarly discourse.

Africa, as an underexplored context, calls for immediate attention in management research. A decade ago there would have been, at best, a handful of studies. Now there is growing interest as businesses have pushed farther afield than theory can guide. In my keynote speech at the IACMR Conference in Beijing in June 2014, I summarized thematic elements for management scholars – to expand into new contexts, tackle larger social and organizational problems, and embed practice into theory. As I did in my talk, I draw from some of my own work in Africa to show that much needs to be done. Below, I provide a summary of the keynote speech and emphasize the potential for including Africa and other developing economies in mainstream management research.

WHY AFRICA?

Africa is now the fastest growing continent in the world. The growth rate of its low-income countries exceeded 4.5% in 2012, and it is predicted to remain above 5.5% in the coming years. In its 2013 report, the African Development Bank notes that 26 of its 54 countries had achieved middle-income status. The share of the population living below the poverty line had fallen from 51% in 2005 to 39% in 2012 (ADB, 2013). Underlying this growth are a number of fundamental drivers – the opening of new markets, a burgeoning middle class consumer market, regional

economic integration, an increasing investment in infrastructure, and an improving but fragile governance. African countries are still significantly behind in investing in infrastructure, which shows that there is significant upside potential. Ethiopia, for example, reduced the average distance to an all-weather road from 21 km in 1997 to 12.4 km in 2012, and access to an all-weather road is said to have decreased poverty by 6.9% and increased food consumption by nearly 17% (ADB, 2013). This statistic also reveals the stark contrast with Western countries where all-weather roads are the norm for almost every household. Nineteen African countries are classified as fragile and lag most development indicators. Conflict and fragility are major drivers of poverty and create hardship and deter investment and growth. As recent kidnappings by Boko Haram evidence, girls and women suffer disproportionately both as victims and through reduced economic opportunities. Similarly, competition over natural resources can create conflict, but it is these same natural resources that provide scope for growth through trade and investment. However, as these countries mature, progress becomes mainstream and social dividends more visible.

Some Directions for Research in Africa

Africa is a continent of variety, and it would be simplistic and ignorant to assume that it is a homogenous research context. With increasing investment by multinational firms as well as local entrepreneurship and economic growth, business and management scholarly interest in Africa has grown in recent decades. While the predominant emphasis is the billions of dollars of development aid that African countries receive from China, the European Union, or the United States, the real engine is the economic growth opportunities that Africa brings to trading partners and business investors. This influx of investment and entrepreneurial activity occurs in a sociopolitical context that is often unstable and governance that is variously ill formed and possesses weak institutional infrastructure to support business. Yet Africa's economic and social prominence merits revisiting: (1) how management practices differ, (2) whether the assumptions and boundary conditions behind existing theories are violated, and (3) the cultural and social context of managers and their actions. It is an opportunity for management scholars to use the variability in the contexts to establish, refine, or challenge existing theories.

The private sector generates 90% of Africa's employment, two-thirds of its investment, and 70% of its economic output (ADB, 2013). Recent work, for example, by Ang, Benischke, and Doh (2014), examines the implications of a firm's entry mode choice based on existing institutions. Such work that examines how investment flows are affected and shaped by weak institutional structures would likely benefit from significant variations in institutional strength across African countries. In general, understanding how inward investment and outward flows are intertwined with local institutions, foreign entrants, and their motives could shed light on strategic decisions surrounding entry modes, capital investment, and the nature of opportunities that entrants pursue relative to embedded incumbents.

Entrepreneurship and business growth in Africa is often intertwined with foreign aid initiatives. Foreign aid organizations have also encouraged local investment and microenterprise development, thus spawning public-private partnerships, nongovernmental organizations, and other hybrid governance models. The effectiveness of these organizational structures and governance models is an area of significant interest (Tihanyi, Graffin, & George, 2014).

However, dependencies on foreign aid also may act as a deterrent for private enterprise and personal initiative in the absence of resource subsidy effects. Understanding whether there is an enabling effect of foreign aid or a crowding out of entrepreneurial behavior at a community level could add to how individual behavior is shaped by institutional and social dependency legacies. Relatedly, the social imprint that dependencies leave on families and communities over time could potentially affect employment seeking and work behavior. In contrast, crowd funding and locally pooled peer funding mechanisms that encourage social monitoring and encourage individuals to work harder within communities or face social sanctions could be a stronger incentive for how, why, and when entrepreneurship and microenterprises succeed in these contexts.

Most countries in Africa are multilingual and multicultural. Yet the political boundaries of these nations could stem from their colonial past. Africa is a great context for better understanding of postcolonial relationships and their influence on international business research. For example, how does former French, British, and Portuguese colonial history impact foreign investment patterns. Many business ties remain between these countries, even though colonialism has been replaced by independent statehoods. How have businesses, institutions, and individuals adapted to shifts in colonial legacies and the sociocultural imprints they leave behind? Do businesses and governments continue their previous practices and ties? How do organizations evolve and adapt when they transition in identity and ownership to a different form?

There is rich differentiation between tribes, clans, and communities such that incorporating a granular social level of analysis likely enriches our explanations of individual and organizational behavior. One such example in which I have been involved is a study of Ugandan entrepreneurs. We find that social capital is a double-edged sword in this Ugandan context, where the cost of maintaining a social network could potentially outweigh its benefits when entrepreneurs secure resources for a business (Khayesi, George, & Antonakis, 2014). Here we show that social capital may be necessary for business, but may also be expensive to maintain given the strong sense of kinship and community in large African tribes to which some entrepreneurs belong. Such ideas that build on the unique African context or boundary condition have the potential to change scholarly dialog, in our case, by shifting the emphasis from the positive effects of social capital to a more balanced view of conditions and contexts where social capital might not always have a positive impact.

Conflict in Africa, unfortunately, is not new. Yet much of this conflict tends to be over natural resources – diamonds, oil, minerals, and water, among others. Business investment in a volatile context also has implications for the local community. Hennisz, Dorobantu, and Nartey (2014), for instance, look at gold mines and the implications of stakeholder engagement and corporate responsibility in these contexts. Business entrants can serve as stabilizing forces in local communities through employment and active engagement. The transformative power of business is tempered with political, physical, and economic risk. The calculus of companies and individuals when they pursue such opportunities along with the related risk mitigating actions adds important dimensions to management theory and practice. What is the social debris of conflict and how does it affect employee attitudes toward work and life? The assumption that, once conflict ends, life renews afresh may be misplaced. Remnants of conflict and individual action during conflict may continue to haunt individuals, families, and communities. How do

individuals reconstruct their lives through entrepreneurship or employment? Such questions raise important issues on social rehabilitation and the restorative power of employment and economic growth.

GRAND CHALLENGES IN MANAGEMENT

Apart from the economic environment, several African countries also have their fair share of adverse natural, social, and political shocks, which leave many parts of society in desperate poverty or destitution. Management scholars have the opportunity to bring their insight to help solve profound organizational challenges in social development and economic empowerment. Writing with Jason Colquitt, we introduced the idea of ‘Grand Challenges’ in management – seeking out difficult socioeconomic challenges and offering fresh empirical evidence or insight that plausibly could be useful in solving large, intractable problems in society (Colquitt & George, 2011). As a field, we have shied away from large-sample, longitudinal, multiwave field-level data collection efforts for the sake of expediency in our institutional promotion and performance norms. Picking research topics that are grand challenges internalize the need for impact and social relevance.

Let me discuss two of my research projects. The first research project is a five-year study of rural electrification in Kenya. Along with colleagues at the University of Southampton and Imperial College London, we designed an intervention (installing solar electricity) in Kenyan villages to examine the effects of energy provision on well-being. This project is in its final stage of data collection and allows us to examine research questions regarding how individual entrepreneurial aspirations form or how social support networks help businesses overcome difficult operating conditions in impoverished contexts. It also adds to the innovation of business models for successful sustainable electrification. A second project is a qualitative, grounded study of health workers in India and South Africa who support HIV+ mothers. The project itself has a grand challenge of providing better organization for the delivery of drugs to patients in rural locations. Yet field interviews revealed that the health workers had to be innovative in dealing with systemic failings in the institutional infrastructure. We are in the process of transcribing our results for possible publication. In both projects, the fulfilment as an individual comes from the ‘impact’ of the research topic and the ultimate social problem that we address. At the same time, the richness in context and the scale of importance of these social challenges are of added interest, novelty, and relevance to scholarly work.

Bringing Africa In – New Contexts and New Theories?

Management and Organization Review has taken the lead in bringing context to the fore. Its founding remit provided an avenue for scholars to investigate and push the boundaries of management by dedicating itself to organizational practices in China. In so doing, Chinese scholarship in management has prospered and the field is better for this focus and depth. Under Arie Lewin's leadership, MOR seeks to expand its emphasis by embracing new emerging and less-developed economy contexts. This editorial vision provides an opportunity to mainstream what has been relatively localized work and has the potential to generate knowledge that challenges established theories inspired in the West. The editorial direction broadens the identity

of this journal as a scholarly home for interesting and novel insight that is relevant for organizational theory and practice in emerging economy contexts.

With MOR's expanded focus on emerging economies, the setting is right to explore new contexts to see how they shape our existing theories. It is important to emphasize a caveat here – a renewed emphasis on context does not imply the neglect of theoretical contribution. The context itself does not create a theoretical contribution; rather, scholars have to look for underlying characteristics that change the boundary conditions or create higher variability in predictors or outcomes that challenge underlying assumptions (George, 2012). By bringing Africa in, we are poised for a greater richness in scholarly dialog just as we were by adding China to mainstream management theories.

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